INFORMATION LETTER

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Oil Painting of Frank Gorrell Planned by State Associations

Plans to commission a competent artist to paint a portrait in oil of Frank E. Gorrell, which would be presented by the state and regional canners associations and be placed in the new N.C.A. headquarters building, were announced last week following a meeting of the Association of Canners State and Regional Secretaries.

Plans call for an oil painting, appropriately framed and illuminated, to be hung in the conference room or other appropriate place in the new building.

In conformance with plans made at the ACSRS meeting in Atlantic City in January, when the project was first decided on, secretaries of the various state and regional associations reported at the meeting of May 19 on the financing, and, on the basis of these reports, ACSRS President W. D. Jones estimated that funds considered necessary to complete the project are in sight.

Two committees were established at the time of the 1949 Convention to carry on special phases of the project. As constituted following last week's meeting, they are:

Committee on Finance—Harvey F. Cahill, Utah Canners Association, chairman; W. D. Jones, Illinois; W. A. Free, Pennsylvania; and Marvin P. Verhulst, Wisconsin.

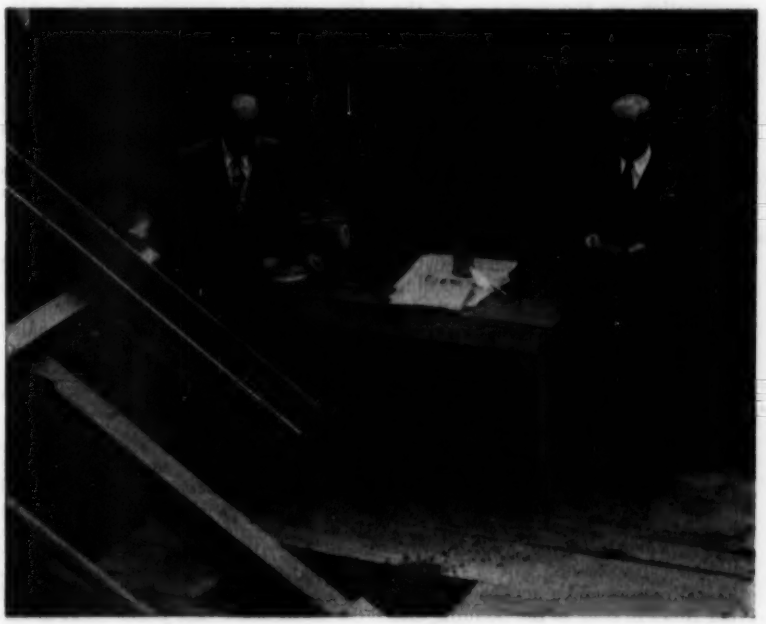
(Please turn to page 214)

Ceremonies for New Building Highlight Board Meetings

Highlighted by an address by Dr. Paul B. Dunbar, Commissioner of Food and Drugs, and climaxed with a capsule-cornerstone laying at the site of the Association's new administrative and laboratory building, ceremonies in observance of the start of construction of the new Washington headquarters building were held Thursday, May 19, as a feature of the Spring meetings of the N.C.A. Board of Directors.

Another session on Friday, May 20, encompassed discussion of the status and progress of a number of Association and industry projects and programs—the N.C.A. budget and financial situation, food standards work, a resume of the Washington situation in all its aspects affecting canning and business generally, the national agricultural program, and plans for the 1950 and 1951 *(Please turn)*

A capsule containing documents for posterity attesting to the scientific soundness of the canning industry was buried in concrete on May 19 in ceremonies at the site of the new Washington headquarters building. Before Secretary Carlos Campbell (left) filled the capsule with the articles on the table, President John F. McGovern (right) honored the occasion with dedicatory remarks entitled "Symbol of Progress." The open capsule is visible (below) under the chute down which the concrete was poured.



Conventions. The Association's Buildings Program was the subject of an afternoon-long joint meeting of the Board, Council, Committees and State Secretaries on May 19.

Dr. Dunbar's luncheon address commended N.C.A. Research activities for their cooperation with the Federal government in helping to maintain standards of quality for canned foods at a scientifically high level. He related details of his early personal association with the personalities connected with the formation of the first N.C.A. Laboratory in 1913, paying particular tribute to the leadership in that undertaking assumed by the late Dr. W. D. Bigelow, N.C.A.'s first research director, and by Frank E. Gorrell, who sat beside Dr. Dunbar at the speakers' table. Dr. Dunbar also commended the industry for its leadership in technological work and public service and bespoke for the new research facilities at Eastern headquarters "scientific progress in the next score of years that will equal or exceed the achievements of the past 36 years."

Following Dr. Dunbar's address, the Directors heard a four-part presentation by the Buildings Committee which had held a special meeting on May 18. Chairman W. F. Dietrich reported, among other things, that the combination of cost factors and volume of contributions has made it unnecessary for the Committee to borrow in order to complete the Buildings Program. Fred C. Heinz reported his gratification on the response of the machinery and supply firms that have contributed and are still doing so. H. J. Humphrey, chairman of the Eastern Building Subcommittee, gave a full description of the functional features and equipment that are going into the new Washington building. Among the guests at the meeting were R. H. Tatlow III, and G. V. Steele of the architects firm and W. G. Distler and J. O. Shumate of the builders. Mr. Humphrey called on these gentlemen to take bows. Milton E. Brooding of the Western Building Subcommittee made a progress report on the building plans for the West Coast.

Following approval and acceptance of these reports, the Board passed resolutions (1) ratifying and approving the work of the Buildings Committee to date, and (2) authorizing Secretary Campbell to make progress payments under terms set forth in the articles of contract with architect and builder covering the Washington building.

The Directors and others then moved from Hotel Statler to the building site for the final program item of the day. There, on a specially constructed platform at one corner of the building excavation, they participated in the ceremony of burying a time-capsule and dedicating a symbolic cornerstone. Appropriate remarks by President John F. McGovern dealt with the significance of the occasion.

"May we all be moved to dedicate ourselves to a further and more serious effort to keep our standards and objectives high; to place equal emphasis on the public good and our own private profit, and as high a regard for public opinion, good business citizenship, and other such intangibles as we do upon efficient business management, operating efficiency and the like. If, without becoming too visionary, we permit ourselves to get some inspiration from this simple ceremony to carry on in the fine tradition of cooperation, good will and unselfish service, which actuated the founders of our Association, we will sense some value in ceremonies of this kind beyond the notion that we have merely followed the pattern of a traditional rite practiced in the erection of new buildings," he said.

Silver-Plated Trowel

Secretary Campbell then placed in a steel capsule sealed tin and glass containers containing records of the occasion and documents (chiefly N.C.A. publications) attesting to the scientific and business soundness of the canning industry, along with copies of the daily papers of May 19, items of currency, and copies of the speeches of Dr. Dunbar and Mr. McGovern. The capsule was sealed in a block of wet concrete, and workmen covered it. President McGovern gave the block a final dressing, using a special silver-plated trowel, which will be engraved and placed on display in a showcase in the new headquarters to be held as a memento of the event.

(Reproductions of Dr. Dunbar's and President McGovern's addresses, the reports of the Buildings Committee members, a list of the articles sealed in the capsule and an account of the special publicity issued for the occasion will be found on pages 197 to 204 inclusive.)

The Friday, May 20, session of the Directors' meeting was opened by President McGovern when he called Past President Howard T. Cumming to the rostrum and presented him, on behalf of the membership, with an illuminated scroll expressing appreciation of Mr. Cumming's leadership of the Association last year. Text of the scroll followed the wording of the resolution adopted at the last Convention:

"In the Presidency of the National Canners Association Howard T. Cumming confirmed to an ever-widening group of men in the food industry and in government his strength of character and seemingly infinite capacity for effective effort. Inevitably those with whom he works become his friends. Seldom does any man use plain words to reflect as profound thought, or forthright speech to suggest as sound solutions. Conviction is never manifested with more innate courtesy, nor is firmness tempered with equal kindness. Sincerity in desire and deed is not often combined with as undeviating will or as uncompromising standards of excellence in execution. Sagacity not often includes so keen a sense of humor; and courage rarely rests on such real humility and honest understanding of the problems and aspirations of others. With these great gifts, Howard T. Cumming measures full well to his own inexorable standard: For the Association and the canning industry, 'He performs effectively.' To him both record their profound gratitude."

The first order of business on Friday was a report of the Association's Budget and Finances by Mr. Cumming, Chairman of the N.C.A. Finance Committee, with additional explanations by Secretary Campbell. Mr. Cumming reported that the showing in the first quarter indicates that budget and expenditure are in general maintaining the same level, and that the end of the year, barring unexpected developments, should find the Association's finances in balance. He also reported the feeling on the part of the Budget Committee that the $100 minimum dues provision approved by the Board in January should remain in effect at least throughout 1949. Full details of Mr. Cumming's report and Secretary Campbell's detailed explanation of highlights of Association's financial performance are reproduced on pages 204 and 205.

Reports on Food Standards Work

The continuing program of preparations for food standards hearings was the subject of two reports heard next by the Directors. Dr. E. J. Cameron, Director of the Washington Laboratories, detailed the requirements of these programs as to time involved and expenses incurred, and the principles and policies involved in the work were presented and discussed by H. Thomas Austern, Association Counsel. These reports, as approved by the Board, will be found on pages 205 and 206.

The report of the Scientific Research Committee was then presented

by Chairman Ralph E. Sanborn. He told the Directors that the Committee, in its two-day preliminary session, Tuesday and Wednesday at N.C.A. headquarters, had reviewed the accomplishments of the Laboratories to date and found that the program set up in January has been faithfully carried out and that budget recommendations have been accomplished without seriously interfering with the service work. Chairman Sanborn's other comment on fill of container standards proposals, insecticides, the cannery lighting project, and other matters will be found in the full reproduction of his report on page 210, which was given the Board's vote of approval.

Chairman Walter E. Graefe of the Legislative Committee reported next on the current status of wage-hour legislation and other matters and was followed by Mr. Austern with an overall discussion and review of the Washington situation in its several aspects (see page 207).

National Program for Agriculture

The Friday luncheon speaker was Hassil E. Schenck, a director and member of the executive committee of the American Farm Bureau Federation, and president of the Indiana Farm Bureau Federation, Inc. Speaking on the subject, "The National Program for Agriculture," Mr. Schenck told the Directors that, as far as the Farm Bureau is concerned, the farm program for the future shall be the 1948 Long Range Agriculture Program with whatever modifications study, experience and changed conditions may call for. In pointing to several fallacies of the Brannan Plan, Mr. Schenck stated that "it is easy to conceive of an eight to ten billion annual cost if the Brannan proposal should become law." The speaker closed his address with an appeal for mutuality of teamwork between grower and canner. His speech is reproduced on page 211.

The afternoon closing session of the Board meeting consisted of a progress report of the Agricultural Policy Committee by Chairman R. H. Winters; a report outlining Convention Plans for 1950 and 1951 by Chairman R. A. Friend of the Convention Committee; and a discussion of the New York City Gross Receipts Tax by Howard P. Castle of Counsel's office. These are reproduced on pages 212 to 214, inclusive.

The Board voted its approval and sanction of the plans described by Mr. Friend, namely, the selection of Atlantic City for the 1950 Convention and Chicago for the 1951 Convention, with both Conventions divided into two separate but continuous periods of Sales and Production Conferences.

Secretary S. G. Gorsline, of the Canning Machinery & Supplies Association, told the Directors that progress is being made in efforts to obtain through trains to Atlantic City, obviating the necessity of changes at North Philadelphia, and in efforts to obtain special Convention fare rates. Action of the railroads on these points will depend, he said, on evidence that a sufficient number of canners want such advantages.

The Buildings Program

THE NATIONAL CANNERS BUILD FOR THE FUTURE

By Dr. Paul B. Dunbar,
Commissioner of Food and Drugs,
Federal Security Agency

DR. PAUL B. DUNBAR

It is a real honor to be selected as a speaker for this very momentous occasion. I say that, even though there was more than a hint in Secretary Campbell's invitation that you needed a genuine antique for this ceremony and that I seemed to fill the bill. Having been around Washington for some little time, I have become more or less resigned to being pointed out as one of the few remaining historic relics. Since that seems to have been your purpose in selecting me, you can hardly blame me for approaching my talk today in a reminiscent vein. It was in 1906 that a chance vacation meeting with Dr. Willard D. Bigelow, then Assistant Chief of the Bureau of Chemistry under Dr. Harvey W. Wiley, interested me in taking a Civil Service examination for chemist in the Bureau of Chemistry. I succeeded in passing that examination by a bare margin and reported for duty at the Bureau of Chemistry in July 1907, just about the time that enforcement operations under the original Food and Drugs Act of 1906 were beginning. I could tell you a lot of things about those early days in Washington that would at least be interesting to me, but what I want to do is to talk about the past and future of the National Canners Laboratory and especially about the two men who, more than any others, shaped and guided its beginnings and were responsible for its continued success.

Very shortly after my appointment, Dr. Bigelow took me under his wing as a laboratory and administrative assistant and I served under him until his resignation to become Chief Chemist of the National Canners Association in 1913. The friendship begun back there in 1906 continued and ripened until the end of his life. Both he and his charming wife were among the best friends Mrs. Dunbar and I ever had. I like to think that this new laboratory on which the builders are now embarking is a real memorial to that very able, kindly, and earnest gentleman and scientist. During his entire service in the Government and with the National Canners Association his work was characterized by a complete lack of self-interest, a devotion to scientific ideals, and a determination to sacrifice himself to the common good. He was an inspiration to all who worked with him.

I am not at all sure when I first became aware of the existence of the National Canners Association. Probably some time in 1910 it announced itself to me by the arrival in the laboratory one day of a particularly vicious looking and smelly Pittsburgh stogie to which was attached a man said to be from Bel Air, Maryland. Dr. Bigelow showed him around and it gradually leaked out that he was the Secretary of the National Canners Association and that his name was Gorrell. I don't think it was scientifically established until many years later that the stogie and the man were not permanently welded together. Under his vigilant eye I later smoked one of the vile things to avoid offending him. I haven't felt the same since.

Frank Gorrell was fully convinced that a firm enforcement of the new

Food and Drug law would be the salvation of the canning industry. He foresaw that if the industry was to grow it must produce foods of acceptable quality. He knew that law enforcement and scientific research were equally essential to the sound advancement of the industry. And so he envisoned the Canners laboratory. He did so many things that built the National Canners Association on an enduring foundation that time does not permit cataloging them here. There is no need to do so because you yourselves, but a few years back, honored him and fully recorded his contributions in the interesting brochure published at the time you celebrated the 40th anniversary of your Association.

Tribute to Gorrell and Bigelow

But somehow I think that one of his greatest achievements was the selection of Bigelow as the first Chief Chemist. I well remember the enthusiasm with which Bigelow approached the new job. It was a challenge. He was a man of unquenchable scientific curiosity. He wanted to know how and why things happened, why things went wrong. Here was a wonderful opportunity to pioneer in an industry that theretofore had largely depended on rule-of-thumb operations. He met the challenge. He and Gorrell recruited an able and enthusiastic group of young scientists, many of whom I was earlier privileged to work with in the Bureau of Chemistry.

As the first national trade association to establish a laboratory purely for its own research and technical service problems, the National Canners Association pioneered in food technology. Its history is built around its laboratory work. Many of the present-day techniques in the canning of fruits, vegetables, meats, fish, and other products originated in these laboratories. As a consequence the whole canning industry rests basically on scientific procedure. Research underlies the progress in preserving the nutritional values of canned foods, in plant sanitation, in all the factors that maintain canned foods at their highest level of quality. The studies in your laboratories of the time and temperature for safe processing of various items of canned foods took canning methods out of the trial-and-error stage into dependable, standardized processing methods. Scientific knowledge so acquired has provided trustworthy procedures which, when conscientiously followed, make canned foods reliable.

Your research in plant sanitation and the practical spread of that important knowledge by means of your training courses and your mobile laboratories which visit and instruct cannery operators, are highly constructive. They are advances which never would have been possible without the organization of these laboratories.

I predict for this new laboratory, scientific progress in the next score of years that will equal or exceed the achievements of the past 36 years. The problems are there to be solved. New problems will continue to present themselves. Now the facilities will be at hand to study them scientifically and effectively. I say this with more than a little envy, knowing that the Food and Drug Administration has no real home in Washington but is a tenant by sufferance, with its laboratories in the Department of Agriculture buildings and its offices in the Federal Security Building.

I am certain that your new research facilities will permit your scientific staff to continue to direct its attention to such important projects as improvements in processes, cooperation in the development of food standards for the protection of the consumer, efficient methods of plant sanitation, and solution of the technical problems involved in preserving the nutritional quality of canned foods. Your laboratories have provided in the past, and I am sure the new facilities will provide in the future, vast amounts of analytical data on many products which because of their scope and reliability have been, and will be, of the greatest help to the Food and Drug Administration in the promulgation of the standards of identity, quality, and fill of container which is one of our responsibilities under the Food, Drug, and Cosmetic Act.

In thinking of what I should say to you today I recalled that Mr. Gorrell, back in 1930, invited me talk to the National Canners Association meeting in Chicago. As usual he knew just exactly what he wanted me to talk about, and as usual his ideas were sound. On that occasion he wanted me to advance the thought that the virtues of canned food products reside in their naturalness and the closeness of their resemblance to fresh cooked foods; he wanted me to stress the point that the objective of the truly successful canner should be to preserve that naturalness so far as is possible through human skills; that the canner who seeks to improve on nature by various refinements and fortifications and who seeks to popularize his products by the use of various health claims is following false gods. I looked up that paper which was delivered on January 20, 1930, and I find in it a statement or two that I think worthy of quoting today. The quotation is particularly pertinent in the light of the discussions we have heard in the last few weeks, even on the floor of Congress, about the substitution of various chemicals for natural ingredients in various food commodities. My statement in part was this:

"I cannot conceive that the point will ever be reached when fruits and

As Officers, members of the Board, Council and Committees, and State Secretaries watch, Secretary Carlos Campbell prepares to seal the capsule, which was buried in concrete in the Southwest corner of the N.C.A. property at 1133 20th Street, N. W., Washington, D. C. The building site has been excavated to basement level.

vegetables, meats and sea foods, will not possess a popular appeal. So long as this appeal exists, there will be a demand for the manufactured products of your industry approaching as nearly as may be to the condition of the fresh product, or that product after being subjected to the normal culinary processes of the home. The notable progress you have made in the development of palatable and attractive foods and above all, in the perfection of methods which insure *safe* foods represents, I am sure, a more real and lasting contribution to human welfare than the evolution of a line of doctored foods could possibly accomplish. . . .

"Let your effort be to stimulate the demand for your commodities by improvement of natural quality rather than by their artificial alteration to meet a fancied deficiency. It is impossible to believe that that appeal to the appetite which has been responsible through generations for the instinctive selection of pure and unadulterated foods will not continue in spite of all advances in the science of nutrition."

Now I have talked long enough. I am reminded of the city man who noted a hen cackling loudly as she hopped off the nest. He inquired what it was all about and was told that she had laid an egg. "Was that all?", he replied, "I thought she had laid a cornerstone." To all intents and purposes I have helped to lay a cornerstone today, a cornerstone of a new building which when completed will carry forward for a new generation the ideals which Gorrell, which Bigelow, and which the founders of the National Canners Association envisioned when that first laboratory was set up back in 1913 in the building at the corner of 18th and H Streets, Northwest.

REPORT ON THE BUILDINGS PROGRAM

By W. F. Dietrich, Chairman, Buildings Committee

This obviously is a happy occasion for the Buildings Committee. We plan to take you to the site later and show you quite a sizeable hole in the ground and you can picture the fact that in due course we're going to have our new laboratory and administrative building. We in the Committee are just as surprised that we have made the progress we have, and we appreciate your help and that of the allied industries in getting this program so well along.

We got this magnificent start due to the work of some of our subcommittees. It has been a real pleasure for me, as Chairman, to work with this group of men. I don't see how we could have had a better group. We have had differences of opinion and worked them all out on a basis which we feel was practical, and we got the results we wanted.

We must have had a certain element of luck. When we took over this job no one had any idea as to what the project would cost. One of the first things we did was to figure out how much room was needed. You voted some money out of your reserves and you went to work on some of our friends in the supply industry, but all of our Committee members and all of you have been so very helpful, and without that help we couldn't have made the progress we have. We were lucky to get the subcommittees we have. We didn't actually get Fred Heinz to take on the job; he just eased into it. We were lucky to have him and the boys in California; we were lucky, too, that we got the reception from the people who have money—and a project like this takes money.

I should mention that the last time I appeared before you we asked you for authority to borrow up to $300,000 so as not to go out on a limb, and I am happy to say that because of good fortune in the line of costs and obtaining money we hoped to get, we are sure that the program can be completed and will be completed in good form and soon, without having to incur any debt on the part of the Association.

Following is the text of two resolutions presented by the Buildings Committee and read by Chairman Dietrich at this point, which later were approved by the Board:

"*Resolved*, That the action of the Buildings Committee in delegating its authority to an Eastern Building Subcommittee and a Western Building Subcommittee, the signing of a contract on April 11, 1949 by the Eastern Building Subcommittee with the George A. Fuller Company for the building of a Washington headquarters building and all other actions taken by the Buildings Committee or its subcommittees in connection with the Association's Buildings Program are hereby expressly ratified.

"*Resolved*, That Carlos Campbell as Secretary of the National Canners Association is hereby authorized to pay from the National Canners Association Buildings Fund the Progress Payments for the building of the Association's Washington headquarters building required by Article 4 of the contract dated April 11, 1949 between George A. Fuller Company and the National Canners Association upon presentation to him by George A. Fuller Company of Certificates of Payment issued by Abbott, Merkt & Company, Inc., the Engineers, as provided by Article 25 of the General Conditions of the Contract for the Construction of Buildings which is a part of the contract of April 11, 1949; *Provided*, that final payment under the final certificate issued by the Engineers, as provided in Article 5 of the contract of April 11, 1949, shall be made only with the approval of all the members of the Eastern Building Subcommittee of the Buildings Committee of the Association."

REPORT ON THE BUILDINGS FUND

By Fred C. Heinz

In our building fund campaign, although not officially closed, we have done quite well. We still expect to hear from a lot of people, and, to prove it's not a question of putting the bee on somebody, I might say that last week "Sam" Gorsline said it might be a good thing to send out one of the numerous letters we have sent to our friends in the allied industries and tell them we would like to hear from them, if possible, before this meeting to close up the campaign. As a result of the letter Sam sent out to all members of the C.M.&S.A., this letter is just one example of how those people feel:

"Mr. Gorsline has asked if we have contemplated a contribution to the fund and wish to have a part in and be identified with the building venture. Our answer to this question is 'yes.' If you will please write us and tell us how much you think we should contribute, we'll be very glad to send you a check."

I would like to take this opportunity to say that I certainly feel very gratified, and I am very proud to be identified with the National Canners Association, where an association of that kind can get the full whole-hearted cooperation of all the allied industries to come along and help us put this job across in such a short time, and I think all of you should be just as proud of that fact.

I think that out of a total of 193 people or corporations that have been asked to contribute to the fund, we have well over 75 that have already come in. We have many letters from others who say that they will contribute. Although we are not going to stop, our campaign has now been completed. We are not going to campaign actively any more, and I think it is very nice we are able to do the job without borrowing the money we were authorized.

There is one other thing I would like to say at this time. Yesterday the Buildings Committee appointed me chairman of a small committee to

select the proper plaque—a bronze tablet on which will read something like this:

"This building is dedicated to the advancement of technological research and the general welfare of the canning industry, and was erected by the membership of the National Canners Association, assisted by the members of the associated industries."

That tablet will go in the entrance of the new building where everyone can see it, and, in addition, we hope to have a very nice tablet erected in the auditorium or wherever all you Directors are going to meet, which will give a list of all the contributors to the campaign.

REPORT OF THE WESTERN BUILDING SUBCOMMITTEE

By Milton E. Brooding
For H. E. Gray, Chairman

At the January Board meeting the Western Subcommittee reported two plans for a Western building. One was for a new building of 21,060 sq. ft. gross floor area on the Berkeley site and the other, for fitting up the Steiner Street Building in San Francisco, with a gross floor area of 26,250 sq. ft. In view of the similarity of the cost estimates for the two projects, authority was granted for construction of a new building. This decision was predicated upon the expectation that the presently owned building would be sold without loss to a prospective purchaser who at that time was actively interested in the acquisition of the property.

Immediately following the Convention, steps were undertaken to develop further plans for the new building and to dispose of the Steiner Street Building. Studies were undertaken to determine the desirability of acquiring property adjacent to the Berkeley site to square off the lot and permit construction of a wider building than would be possible on the present site. The architects expressed the feeling that the shorter, wider building would be well adapted to the purpose and somewhat more flexible in planning. A comparison of the two plans by representatives of the staff of the Western Laboratories indicated the wider building to be the more desirable in several respects.

Shortly after the January meeting, steps were taken to dispose of the Steiner Street Building to the San Francisco organization which had for a long time indicated a definite desire to possess the building. In the preliminary stages, negotiations toward a sale proceeded satisfactorily and the organization received from its engineers a favorable report upon the suitability of the building for the proposed use. When a definite offer to sell was submitted, however, it was declined because recent economic trends made it imperative for that organization to conserve its available funds.

In view of our inability to complete the sale, and in consideration of a marked recession in the local real estate market, it was deemed unwise to proceed further with plans for a new building until a sale of the Steiner Street Building had definitely been consummated.

There was some discussion at our last Western Building Sub-committee meeting of the likelihood of our inability to dispose of the Steiner Street Building under the present market conditions, and of alternative procedures which might be adopted in that event.

The policy of the committee, however, has been to endeavor to sell the building in accordance with the understanding at the January meeting of the Board. If, after a reasonable period of time, the building has not been sold, consideration will be given to alternative plans, so that the Western building program can proceed without delay.

REPORT OF THE EASTERN BUILDING SUBCOMMITTEE

By H. J. Humphrey, Chairman

We have a good report. It has been swell working with Herb Riley and John Baxter. We have had a good working team. There have been a number of people involved in getting this building going up to this time. The N.C.A. staff put many hours on this job. We even asked Dr. Dunbar to review our plans and give suggestions, which he did. The American Can Company turned over one engineer for advice. I had four engineers from my own company whom I called on. We were very fortunate in our choice of architects—Abbott, Merkt & Co.—and Colonel Tatlow and Mr. Steele of that company are with us today. I am sure we are also fortunate in having a contract with the George A. Fuller Co., who have done so much work in Washington, such as the Supreme Court, Archives Building, and many others in Washington. Mr. Distler and Mr. Shumate of that company, who have run the Washington headquarters, are here with us also.

In some ways I think we have been working for the Western Subcommittee. Originally they set up the program for the Washington building for $1,000,000, and with considerable pressure we finally agreed to reduce our specifications and plans to get by on $950,000. I am pleased to report today that we are going to have a building at a cost of $900,000, and that will include everything—the land, the architects' fee, the contract and the furnishings that will be needed in that building, including the moving cost from the old building and cleaning it up where we are now connected with rented quarters.

Moving on Schedule

So far we have moved on schedule. According to the contractor's estimate, the building should be completed by January 15, 1950, which would be at the time of the Convention, and we hope that we will be able to move in the new building during Convention.

We received four bids on the building, the lowest three bids being within $9,000 of each other, and the highest bid only $24,000 above the lowest. That is a real compliment to the architects for a clear set of plans and specifications about which there could be no question.

The three of us met in New York on April 11 and stayed after school by signing our names to all the contracts and specifications.

The N.C.A. did an excellent job in getting the old buildings clear. We had a number of tenants in them, and they did a good job because they saw to it that those people had some place to go. When they got down to one tenant, she had broken her leg, and they got a hospital to take care of her.

The site has been cleared and has been excavated.

Now that you have heard the report of activities and accomplishments to date, I am sure you would like to know something about the functional features and equipment that will be found in your new Washingtom home next January 15.

Completely Air-Conditioned

In the first place, those of you who have spent any time in Washington during the summer months—and I know that many of you have—know how terrifically hot and uncomfortably humid the climate can be. Some of you know, too, how frequently the heating system in our present property unexpectedly fails—generally on the coldest winter days.

Your new home will be completely air-conditioned and will thereby permit the staff to function efficiently no matter what the outside temperature or humidity. It goes without saying that you, too, when called to Washington during these uncomfortable seasons, will be able to meet in comfort

in a spacious conference room or in the smaller workrooms set aside especially for small conferences, or for members to take care of private activities.

Office Partitioning

Various possibilities were considered regarding the departmentalization of the office space. Some suggested private rooms for each division; some suggested private offices for the heads of the several divisions and units, with secretarial and other assistants grouped in a central pool; some suggested no separation of any kind except in the case of the Secretary's and Treasurer's offices. It was finally agreed that, since a minimum number of partitions would make more efficient the air-conditioning system; and the noise associated with ordinary office activity could be reduced by adequate use of acoustical materials, shoulder-height steel and glass partitions would provide sufficient separation of the functional divisions. There will, of course, be private offices for a few.

Meeting and Conference Facilities

I spoke a moment ago about the large conference room.

This room will have an estimated capacity of about 90 persons; it will have a raised platform at one end, and will be ideal for holding large group meetings. It is not now intended that meetings of the Board would be held in this room. The use of sound-proofing material and the location of the room will permit the conduct of meetings without any interference with the performance of the normal functions of the staff.

Canners Working Facilities

One of the things most frequently spoken of by members visiting the Association's present quarters is the inability to find a place to make or receive a private telephone call, or to have a private discussion when the need arises, or a place to sit and think. At present some employee who has a job to get done or a deadline to meet must temporarily be dispossessed from his desk. Two small offices adjacent to the office of the Secretary will be set aside and equipped with necessary furniture, especially to take care of this difficulty. These also will be useful for the Secretary when not in use by members.

Additional Conference Space

Furthermore, additional conference space will be available in the second floor small conference room, the Library and the Home Economics dining room. Thus, four fairly large meetings—committee meetings, etc.—can take place simultaneously if need be.

Mail Load

The members, I will venture to say, by and large, have no idea of the amount of mail dispatched by the Association in the course of a week, and the equipment and personnel necessary to handle it.

The Association sends out during the "busy season" (September to March) 20 to 40 sacks of third and fourth class mail daily. While the load varies, I am informed there is never less than ten sacks per day. In addition, supplies of canned food samples, paper, publications (directories, Home Economics pamphlets, etc.) are received almost daily. The basement, where supplies will be received and the mail dispatched, is nearly six feet below street level. It is thus impossible to wheel hand trucks to or from the basement directly. While the plans call for an "eye beam and hoist" and even a removable slide, the use of either of these devices will entail double handling, which, as any cost-conscious canner knows, is troublesome and time-consuming.

I venture to say that not many members would have thought that such a simple operation as handling mail and supplies would create a problem.

Library

One of the features of the new building will be the Library.

It is essential that any laboratory activity have at hand for ready reference all of the literature bearing on scientific and technical subjects. This library should become the best on processed food. It is no less important, of course, that the Statistics Division, the Raw Products Bureau, and the Fishery Products Division, to name but a few, have equally ready access to cataloged material essential to their operations. That all divisions of the Association have managed to keep abreast of the literature, to keep files of periodicals, and to put hands on something when needed with the present system of book-storing in bookcases here and there, even stowed away in file cases, is a tribute to the ingenuity and long memories of the staff. The Library, with an adequate cataloging system, will contribute very materially to the successful operation of the Association.

Other Divisions Amply Provided For

The other Divisions located on the first floor have all been allotted sufficient space for present and possible future requirements.

The second floor allocation provides space for the Library, for the administrative offices of the Research Laboratories, for the Home Economics Division, and for the Claims Division.

Particularly noteworthy are the test kitchen and recipe testing facilities of the Home Economics Division. The kitchen is a "duo kitchen." In other words, two sections separated from each other by a sampling bar have such duplicate equipment as is necessary to permit special testing in one area while routine work proceeds uninterruptedly in the other. Or, when the occasion requires, while developing quantity recipes for school lunch programs, etc., both units can be operated on a coordinated basis. In addition, a dining room susceptible of being converted to other uses is provided, to facilitiate the testing of newly-developed recipes on staff volunteers. The dining room, when necessary, can accommodate as many as 25 volunteer samplers. Moreover, the entire layout is designed to simplify photographic reproduction of kitchen activities, so necessary to supply the demand of food editors that "you show us as well as tell us what you do and what the finished product looks like". Heretofore, mass testing of recipes and photographic display of the result of the staff's efforts have been possible with a maximum of inconvenience and complete disruption of the Division's regular operations. The new layout has again been designed to permit the maximum in efficiency.

Laboratory

All of the divisions except the laboratory have been provided pretty much with self-contained units of space. By that, I mean that in each case all of the personnel and working facilities will be grouped in a single area. The Laboratory, accounting for about half of the total space in the new building, obviously could not all be put on a single floor. However, I think the allocation has been made in a logical fashion and will work out well.

What we have done is to group all of the actual Laboratory rooms, with a limited number of offices for group leaders, on the third floor. On the second floor will be the administrative offices of the Laboratory, adjacent to the Library and a small conference room. In the basement will be the pilot plant, a space for storage of experimental packs and two large incubators with room for additional incubators and cold rooms if and when required.

On the third floor will be the bacteriological, processing, nutrition, chemical, sanitation and waste disposal, and microanalytical laboratories. In addition, there will be a cutting room for periodic examination of large groups of samples, which also will be usable for other purposes. We have included a dark room for photographic work and for the electrical or optical instruments used in other lines of work.

As you can imagine, laboratory construction is pretty expensive, and especially if all the plumbing, etc, has to be duplicated on more than one floor. To keep from having to put any laboratories on the second floor, we had to hold office space to a minimum on the third floor. However, we feel that we have met reasonable requirements in that respect by providing offices for group leaders and desks,

files, etc., for the remaining technical workers right in the laboratories.

The open-space principle could not be carried quite as far in laboratory planning as it could in the office space. It has been necessary to provide separate rooms for laboratories. The two bacteriological laboratories are separated only by a row of double walk-in incubators opening into both rooms. All the laboratories doing work of a chemical nature are grouped into a single space, nearly half the area of the third floor, divided only by cabinets or fume hoods.

One entirely new feature is an animal room to house experimental animals. These will be used for testing samples for food poisoning bacteria or toxic materials. This room has a separate ventilator.

In the basement will be a sizeable pilot plant. A high pressure steam boiler will be installed in the adjacent boiler room. In the old building the pilot plant has been facetiously referred to as the "pile it" plant because the space has been taken over by supplies and mailing activities. In this pilot plant there will be complete canning facilities. We have provided a storage room for the large volume of samples that accumulate for examination, for instance in food standards work. Also allocated to the Laboratory are two incubator rooms, which will be used to incubate experimental packs and large volumes of samples resulting from the seasonal field surveys.

Possible Expansion

The new quarters will relieve the crowding that now exists all through the Washington headquarters, it will have enough elbow room for present activities and some future expansion, and it will result in a more workable and a more efficient arrangement of activities.

SYMBOL OF PROGRESS

By John F. McGovern,
N.C.A. President

We have assembled today to witness a symbolic expression of the progress and stability of a fine institution—The National Canners Association, as members of which we all experience a happy, justifiable pride.

Ostensibly we are here to participate in the customary exercise of the cornerstone rites. We deposit divers articles and documents representative of our occupations, in order that people in the far distant future may know what manner of men we were, how we plied our trade, what we knew of the fine art of providing wholesome and pure food for the consuming public.

What circumstances and what passage of years will again bring these documents and testimonials to light, none of us shall ever know; none of us may even guess.

We may be reasonably sure that whosoever opens the capsule and examines its then ancient contents will in all probability be only passingly amused and casually curious about the things and times that are tremendously important to us today.

It seems to me that each of should receive some greater recompense for the time we spend in the observation of these traditional rites than comes from the mere participation in a ceremony.

It is an ancient and honored custom—this depositing of particular articles in the recesses of newly-built structures. The Egyptians practiced the same rites in placing great stores of food, ornaments, furniture and raiment in the burial chambers of their Pharaohs, the pyramids built centuries before the birth of Christ, at the cost, it is estimated, of the lives of hundreds of thousands of slaves.

PRESIDENT JOHN F. McGOVERN

"Symbol of Progress" is the title of President McGovern's dedicatory remarks on the occasion of the cornerstone-capsule laying.

The people who made those offerings that their rulers might have their customary comforts in the world after death expected nothing of benefit to themselves when they practiced their ceremony.

In our case today we might, if we will give a little serious thought to the significance of this occasion, derive some benefit as well as satisfaction from our participation.

It represents to us the full flower and fruition of an objective and a dream conceived by determined, farseeing, high-minded men, pioneers in our field.

It symbolizes the completion of a journey over a long, hard road, undertaken in a spirit of public service for the advancement of living standards in America.

Some 42 years ago the N.C.A. was founded through the union of two regional, loosely united associations for the purposes of establishing a united front of canners—better to promote research in the arts of food processing, better plant sanitation, better service, more forthright dealing and greater food value to the public, as well as the creation of an instrumentality for mutual aid to the members of the canning fraternity.

It is needless for me to dwell in detail or at length on the careful analysis, thorough discussion and thought given to the purposes, objectives and plan of action of the new organization.

You know well and should all be thankful for the foresight and wisdom of these founding fathers in basing the future survival and development of their association on a foundation of scientific research.

Cooperation for Common Good

We must remember, too, that the going was not easy; that funds were not readily available; but the high purposes, the service to the public, the unselfish efforts, the hard work and the honest cooperation of everyone made today's fine realization possible.

Out of these few moments cogitation on our honorable past may we all be moved to dedicate ourselves to a further and more serious effort to keep our standards and objectives high: To place equal emphasis on the public good and our own private profit, and as high a regard for public opinion, good business citizenship, and other such important intangibles as we do upon efficient business management, operating efficiency and the like.

If, without becoming too visionary, we permit ourselves to get some inspiration from this simple ceremony to carry on in the fine tradition of cooperation, good will and unselfish service, which actuated the founders of our association, we will sense some value in ceremonies of this kind beyond the notion that we have merely followed the pattern of a traditional rite practiced in the erection of new buildings.

Contents of N.C.A. Cornerstone-Capsule

At the cornerstone-capsule laying at the site of the new N.C.A. administrative and laboratory building, the following items were inserted in the capsule and sealed in it before the capsule was buried. The capsule lays in a cement block near the Southwest corner of the property.

Names of all those present
May 19, 1949, editions of certain daily newspapers
Two tin cans and a glass jar, all sealed, containing:
- By-Laws of the National Canners Association
- Minutes of recent meetings of the N.C.A. Buildings Committee
- Copy of building ceremony address by Dr. Paul B. Dunbar, Commissioner of Food and Drugs—"The National Canners Build for the Future"
- Copy of remarks made by President McGovern at cornerstone ceremony
- Photographs of exterior and interior of present N.C.A. Mobile Field Laboratory

The following N.C.A. publications:
- The National Canners Association (a bulletin descriptive of the work and benefits of membership)
- INFORMATION LETTER, a file of recent issues
- Fishery Information Bulletin, a file of recent issues
- Canners Directory
- Secretary's and Treasurer's Annual Reports, 1948
- Annual Report of the Research Laboratories, 1948
- Canned Food Pack Statistics
- Program and Telephone Directory of the Annual Convention, 1949
- Fortieth Anniversary Booklet (commemorative of the Association's 40th birthday and of Frank E. Gorrell's service to the industry)
- Insuring an Industry (containing photographs of exterior and interior views of present Association headquarters at 1739 H Street, N.W.
- Bulletin describing work of the Claims Division
- Five printed booklets dealing with canner-grower relations
- Two mimeographs representative of the Association's work in the raw products field
- Processes for Low-Acid Foods in Metal Containers, Bulletin 26-L
- Processes for Low-Acid Foods in Glass Containers, Bulletin 30-L
- Scientific Research Applied to the Canning Industry
- Tempting Recipes Using Canned Foods
- Canned Food Tables
- Canned Foods in Modern Meals
- Manual for Canned Food Labels (and supplement)
- Labeling Terms for Canned Vegetables

Currency in current use: penny, nickel, dime, quarter, fifty cent piece, and a dollar
Press kit, containing copies of material issued to the press on the occasion
Food Packer's "Forum Edition" (containing catalog of the latest canning equipment and prices)

Press Campaign on Scientific Soundness of Industry

The building ceremonies in Washington last week—the luncheon meeting and address by Food and Drug Commissioner Paul B. Dunbar and the cornerstone-capsule laying at the site of the new headquarters building—were the occasion for a press-radio campaign launched by the Association to call attention to the scientific soundness of the canning industry and its products.

The press-radio campaign included the issuance of a variety of material to best satisfy the various media—the national newspaper wire services, other news syndicates, science syndicates, the home-town newspapers of Board, Council and Committee members, the Washington newspapers, radio news services and commentators, and canning trade papers.

Representatives of a number of press and radio media sat at a special press table at the joint luncheon meeting on May 19, and they and others received kits of N.C.A. material. The material as issued by the Information Division included the following:

A general press release reporting the start of construction on the new research center and quoting certain of Dr. Dunbar's statements about the industry and its research activities.

A fact sheet listing representative research projects carried on by the N.C.A. Research Laboratories.

A fact sheet of historical information about the property for the new building.

A description of the building as published in the INFORMATION LETTER of March 19.

A chronology of efforts and events leading to construction of the new headquarters building, as published in the INFORMATION LETTER of April 16.

Copies of Dr. Dunbar's address—"The National Canners Build for the Future."

Copies of the dedicatory remarks of President John F. McGovern—"Symbol of Progress."

Photographs of an artist's sketch of how the new building will look when completed.

Photographs, captions and biographies of Dr. Dunbar, President McGovern, and Messrs. Dietrich, Heinz and Humphrey, who coordinated the program for the Washington building as well as the program for the special building ceremonies on May 19.

A list of items that were buried in the capsule.

In addition, the Information Division prepared and issued over 300 press releases especially written so as to report the names, company affiliations and home towns of officers, Board, Council and Committee members who participated in the ceremonies. These releases were sent to the home-town newspapers.

Canners are requested to clip out any newspaper or magazine articles on the subject of the N.C.A. buildings program and to report any radio mention of the program to the N.C.A. Information Division.

The basic general press release is reproduced below:

WASHINGTON, D. C. (May 19, 1949)—The canning industry today laid the cornerstone of its new million-dollar research center to continue scientific studies aimed at maintaining and improving the purity and wholesomeness of canned food. Construction of an additional research center in California also is being planned.

Addressing a representative group of 150 canners from all parts of the country here for the occasion, Dr. Paul B. Dunbar, head of the U. S. Food and Drug Administration, hailed the industry's research activities for their cooperation with the Federal government in helping to maintain standards of quality for canned foods at a scientifically high level for consumers. He commended the canners for their constant work in improving the over-all quality of the Nation's canned food supply.

The research center in Washington, D. C., will house the Eastern laboratories of the 42-year-old National Canners Association, which was the first national trade association to establish a laboratory solely for its industry's research and technical problems.

The building ceremonies included the burying of a capsule containing a record of the event and documents attesting to the scientific soundness of the art of canning.

Commissioner Dunbar reminded the canning executives that their national

organization has pioneered in food technological research, that its history is built around its laboratory work, and that many of the present-day techniques in the canning of fruits, vegetables, juices, meats, fish and specialties originated in the N.C.A. laboratories.

"As a consequence," he said, "the canning industry rests basically on scientific procedure. This explains your progress in canned foods nutrition, in plant sanitation, in all the factors that tend to maintain canned foods quality."

Dr. Dunbar recalled, from personal experience and contact with the industry, the leadership of the N.C.A. laboratories in solution of many of the early technological problems and expressed confidence that "the new facilities will amplify vast amounts of analytical data which should be of the greatest help to the Food and Drug Administration in the promulgation of canned food standards—one of our responsibilities under the Federal Food, Drug and Cosmetic Act."

The new equipment and quarters for scientific research activities will carry out such important work as improvement in processes, development of food standards for the protection of the consumer, development of efficient methods in plant sanitation, and solution of the many technical problems involved in processed foods of highest nutritive value.

The buildings also will house the important administrative offices of the National Canners Association and other specialized activities. These include home economics kitchens for the development of recipes and consumer information to aid the housewife in planning more varied and wholesome family meals, a raw products bureau whose programs are directed toward constant improvement of canning crops, and many other branches of service, all of which tend to maintain and strengthen the important position of canned foods in the national economy.

Friday Session

ASSOCIATION'S BUDGET AND FINANCIAL REPORT

By Howard T. Cumming,
Chairman, Finance Committee

Yesterday your Budget Committee which is really a subcommittee of the Finance Committee reviewed the financial operations of the N.C.A. for the first four months of our present fiscal year, and considered two other subjects related to our financial status. I shall report briefly on the general comments and conclusions of the Committee.

At this time of the year all of us are interested to check ourselves in respect to income and expense against our goals as expressed in the budget adopted at our annual meeting in January.

Attempting to profit by the experience of last year when our income from dues fell considerably short of our estimated figure, we made a survey in December which aimed to anticipate the final 1948 pack figures. It was felt that this would provide us with a more dependable estimate of income for this year. Using this survey, and making a reasonable calculation for the collection of past due accounts and taking into consideration the new and increased dues paying basis, it appeared that we could reasonably look forward to income from dues in the amount of $748,810.

A review of the assessments made to date, of the assessments that we may reasonably expect to make against the pack of these canners who have yet to report their 1948 pack—a relatively small number—and a review of the possibilities in collecting past due accounts, satisfied your Committee that at the present time we can reasonably expect to attain our goal of income from dues. I think it is in order to say that there is little or no prospect of exceeding that goal. This is another way of saying, that since our expense budget provided for our anticipated income almost exactly there is no room in our budget for additional expenditures unless we do one of three things: (1) Provide more income, (2) effect a saving in our expense budget, or (3) use surplus.

In this connection I think it is fair to call attention to the fact that there was set up a contingency provision of $25,000 very little of which has been used through April 30. It was the feeling of your Committee, however, that this account should be reserved throughout the year for those items only that strictly fall within the miscellaneous or contingency classification.

Turning now to our use of funds during the first four months, it would appear that as was the case last year, there is every probability that we can hold our expenditures down to the budgeted amounts. There are two or three items that appear to be out of step at the moment, but fortunately the plus items more than match the minus ones. We recognize that the future cannot be foreseen exactly and that some unexpected conditions may develop calling for greater expenditures than anticipated. But we have our contingency provision for such situations.

Summary

By way of summary at this time, I believe it is the feeling of your Budget Committee that with the full cooperation of the members and careful procedure by our staff, we can reach the end of the year fairly well in balance.

Last year the N.C.A. was asked to give consideration to the advisability of reclassifying certain major commodities in respect to their being seasonal or non-seasonal, or perhaps reducing the rate per case on such items. I refer specifically to citrus products. The subject was referred to the Executive Committee of the Board and very carefully considered on more than one occasion. Each time the discussion raised other questions that related to the equity of our present basis of assessment. And each time it was concluded that any change would be inadvisable. Yesterday your Budget Committee again faced the question of a possible and desirable change in the basis for dues payment. It was finally concluded that our present basis is satisfactory for the time being. Furthermore it was felt that any refinements, in an effort to secure greater equity, of our present basis should come not now but rather at the beginning of a year, if at all.

You will recall that this year a minimum charge of $100 is being assessed against every member. That resulted from a recommendation of the Budget Committee and approved by the Board in January. Since then some canners have questioned the wisdom of that procedure. This whole question has now been carefully reviewed. There are 297 members affected by the $100 minimum requirement. Of that number 157 have reported their 1948 packs and apparently freely accept the $100 assessment and will pay it. One hundred are Northwest fish packers—mostly salmon—who for special reasons have not acquiesced in the payment but who in the judgment of two members of the Budget Committee—both of whom are salmon packers—will accept the assessment when their particular problem is solved. Thirty-one have not reported their 1948 pack but in the judgment of the staff a substantial number will do so after this meeting. Of this group of 297, nine have resigned but only one giving the $100 minimum assessment as the reason. The Budget Committee felt, therefore, that no change should be made at this time. We need a full year's experience before attempting to decide whether or not the $100 minimum dues requirement is in the best interest of N.C.A.

HIGHLIGHTS OF ASSOCIATION FINANCES

By Secretary Carlos Campbell

The expenses for operating the Association for the first four months of 1949 totaled $244,597.60. This compares with an expenditure of $256,191.90 for the first four months of 1948, or, in other words, the expenses to May 1 of this year were roughly $12,000 under those for the corresponding period in 1948. It appears from the record established thus far for 1949 that the regular expenses for operating the Association will be held within the total of $835,127 budgeted for the year.

The expense involved in connection with food standards hearings is difficult to estimate but it seems probable at this time that there will be considerably more expense incurred during the remainder of the year in the preparation for food standards hearings. It is hoped, however, that such additional costs may be met through savings in the expenses of other Association activities.

In spite of the fact that it seems likely that the expenses may be held within the budget for the year, it will be necessary to effect economies wherever possible. Attention needs to be directed toward maintaining the Association's income so that the amount of the budget may be raised from dues and other receipts.

REQUIREMENTS OF FOOD STANDARDS WORK, TIME, AND EXPENSE

By E. J. Cameron, Director, Washington Laboratory

Just about one year ago I reported to the Board of Directors on the subject of the food standards work of the Laboratory. I referred in particular to the chronology of the hearings on green and wax beans and submitted an estimate of expense that had accrued to the N.C.A. as a result of these hearings. It was estimated that out of a total of from $30,000 to $35,000, from $10,000 to $12,000 could be charged against the Washington and San Francisco Laboratories with lesser expenses to the Information Division and Home Economics Division.

We have pointed out frequently that it is difficult to plan for food standards work on a yearly basis. Our activity in this respect is necessarily indicated by informal and formal notices from the Food and Drug Administration which put us on notice in regard to probable or definite hearings, and laboratory work must be directed accordingly.

Not only do we have to plan for the field trips and bench work that is necessary to the food standards job, but we must also arrange for the attendance of laboratory representatives at hearings. During the recent corn hearing an average of three Laboratory representatives were present at all times. This resulted in a distraction from other responsibilities of the Laboratory; and if recent experience in food hearings, including canned foods, is guiding, we may expect greater and greater diversions of this nature.

Despite the almost universal hope that the procedure for establishing food standards might be simplified, the plain fact is that these hearings appear to have become, at least from the point of view of a technologist, more and more ponderous legally with less and less emphasis being placed upon technical facts. To attempt to assign reasons for this now might lead to irrelevant debate. In part, it seems to flow from the technical requirements of the law that the Administrator can look only at what gets into the record and the record tends to be made the way lawyers think it should be made. Another reason may be some fundamental differences as to how the standards should be established; and these questions apparently arise in terms of what I have sometimes been provoked into calling "lawyering."

At any event, from the point of view of a technologist, the process in the hearing stage appears to be more like a law suit than a scientific inquiry.

Coming now to the Laboratory's 1949 program on food standards, our first emphasis was on the corn hearings. A meeting of corn canners was held in Atlantic City for a preliminary study of the problem and those who attended were advised about the kind of technical data that would be needed for the industry presentation. The Food and Drug Administration scheduled the hearing for March 15 and representatives from the various corn canning areas spent several days prior to that date planning the industry's case in consultation with the Counsel and the Laboratory.

The hearing itself lasted nearly two weeks, which was considerably longer than had been expected. There was a hang-over session early in April and the hearing was closed. That does not complete the story, however, because a considerable amount of work remains to be done on fill-of-container during the coming pack and a request probably will be made to reopen the hearing after the data have been studied. The conclusion of this hearing may not be the termination of hearings on corn, however, because we don't know what kind of standard proposals are likely to arise out of the March hearing.

We have been told by the Food and Drug Administration that they plan to hold a hearing this fall on standards for canned aspargus. Considerable work has been done in the previous seasons looking toward such a public hearing, but further work is necessary. A meeting of asparagus canners was called in Chicago on March 25 and 26 and representatives from each of the principal canning areas were present. An Asparagus Standards Committee was formed to guide the various steps leading toward standards.

We also learn now that a meeting of the Food Standards Committee of the Food and Drug Administration is to be called for June 27, 28, and 29 to consider, among other things, standards for canned asparagus and canned tuna fish. It is unlikely that canned tuna fish will be reached this year, but this informal preliminary consideration before the Food Standards Committee points to formal interest at some future time.

There is a likelihood that there will be a hearing on canned pineapple standards in the fall of this year. If the hearing takes place, it will be the result of industry proposals which will have to be defended by those who have initiated them.

The canning season for asparagus is now underway and men from the Laboratory will make field trips into the various asparagus areas to attempt to coordinate the collection of data which will be needed at the time of the hearing. The same procedure will be followed in the corn pack and a minimum of bench work will be attempted in our Laboratory.

To evaluate precisely the cost of standards work to the Association as a whole would be exceedingly difficult. It can hardly be doubted, however, that it represents a significant part of the budget because it would not only include the man-hour cost of all of the Laboratory personnel to which I have already referred, but necessarily the services of Counsel and a good number of other fairly substantial miscellaneous expenses. For example, as a relatively small item, the cost of the transcript of the incomplete corn hearing to date came to nearly $500. In addition, the work of preparation required the Association to assume stenographic overtime costs of about the same amount.

When budgets came up for consideration last January, the modest sum of $500 was indicated for food standards work in the Washington Laboratory. This was to cover only incidental travel and miscellaneous laboratory expenses. Three hundred dollars have been spent thus far and that, of course, does not account for the time of the staff spent on laboratory work and attendance at hearings. With the field work that is in prospect,

we will have to have a substantially increased allowance, and an additional $2,000 is requested to be split equally between the Washington and San Francisco Laboratories.

More important than the money requirement, however, is the need for assistance that will permit proper attention to the usual responsibilities of the Laboratory during the periods when the food standards work requirement becomes burdensome. It should be possible to accomplish this by the appointment of a reasonably trained young chemist who would work under direction on food standards work or problems which could otherwise not be considered because of such work. We, therefore, have requested the authority to make such an appointment in the event that it becomes necessary.

PRINCIPLES INVOLVED IN FOOD STANDARDS HEARINGS

By H. Thomas Austern, Association Counsel

At the January, 1947, Convention I described the joint work of the technologist and the lawyer in food standards activities as an "intellectual wedlock," reluctantly undertaken, and based on an adequate dowry of information furnished by canners.

Often in the last few months it has appeared to be more of a "shotgun marriage."

Occasionally, I might add, during the late hours of the night—in the periods of intensive work sandwiched in between days of hearings—what went on has sometimes seemed more like intellectual rape than rapture.

As a postscript to Dr. Cameron's cogent summary, I should like briefly to discuss with you five points about this important program.

The first is to emphasize and underscore what he said about the increasing scope of the food standards work of the Association. He has told you of the incessant drain upon Laboratory personnel and energies. From Counsel's end of the operation, a similar effect can be reported. Since the beginning of the year, the better part of the time of three lawyers in our firm has had to be devoted to various aspects of this work.

On this same matter of effort, there is one thing which Dr. Cameron omitted saying which probably should be said. His cold report of the hours of work of the Laboratory people does not adequately describe the devotion, the zeal, and the hard work of Howard Smith and Charlie Tressler in the Washington Laboratory, or Russell Esty and Frank Lamb in the San Francisco Laboratory, and of many others working on these problems.

The canners of the various commodities being standardized owe an immeasurable debt to these men, particularly Howard Smith, for their contribution and their good-humored pertinacity under the necessary legal battering of preparation and hearings.

My second point is that out of the continued and expanding need for the Association to work on these food standards has come better organization of our efforts, and I think there will be even better coordination with the industry.

I know of no problem which has more immediate bread and butter consequences to canners or more significant long-time effects on this industry. The lessons which we have learned out of the bean and corn hearings, I am certain, will be reflected in the forthcoming work on corn fill-of-container, asparagus, pineapple, and fish products. For example we are endeavoring to develop for submission to FDA over-all regulations on average fill-of-container.

Third, in thinking about these questions and in working on them, it is important that from time to time you re-examine the premises on which we and the Food and Drug Administration are operating.

Originally, standards of minimum quality and fill-of-container were designed to protect the canning industry—as well as the consumer—from unacceptable products.

By use of the crepe label, these products were in effect to be removed from competition with products which were more truly representative of the great advances in the canning art.

Standards of identity were a by-product since one had to identify a canned food before a minimum quality standard could be established for it.

Yet it would be blinking the facts not to recognize two trends. The first is that modifications on the crepe label—and particularly the use of substandard labels which simply identify a single respect in which the product is not standard—has had, and probably will have, a somewhat different effect upon the commercial fate of substandard goods. They are not as markedly differentiated—and possibly the net effect of the crepe label is to exact a price differential on goods which still reach the consumer.

But more important, however, appears to be the question as to what attitude the industry should take with respect to standards which, in the end, might appear to have little or no effect upon the commercial pack.

In order that this question may be clearly seen, I should like to emphasize that the final decision on what a standard of quality or fill should be is not a technical judgment—but an economic judgment, and sometimes even a political judgment.

Our technologists can determine objective methods for testing this or that quality factor—or measuring fill-of-container on various products—but the final question of where to put the standard-substandard line is an economic judgment.

It is subject to the rule that every standard must be "reasonable." This means that one should know what effect a proposal will have upon the entire commercial pack of that product.

Since we have the same standard for the entire continent—and the law requires that consideration be given to the different varieties grown in the various areas—the standard prescribed cannot bear down unduly on any particular area.

Sometimes this combination results in a proposal being developed on the record as to which there is really no evidence that it will result in making any part of the commercial pack substandard.

In the lingo of this industry, those from each area may say, "We can live under that one." When these views are added up, they sometimes indicate that the developed proposal may have very little meaning—no matter how much mental exercise it has given the technologists and lawyers.

From the point of view of the government, the only reason for having the standard is "to promote honesty and fair dealing in the interest of consumers." This would seem to mean that there should be a regulation fixing the standard for minimum quality or fill only when there is some demonstrated need for it. In plainer English, you would expect to have some demonstration that unacceptable products are being packed—or are likely to be packed—before this vast undertaking of fixing a standard is begun.

In some instances, an objective lawyer reviewing the results of preparation and hearing is left with two impressions: First, only an insignificant, if any, portion of the pack is unacceptable; and that at the least nobody has produced a sample on which there would be trade agreement that it is substandard. In short, the record shows, little or no substandard pack of the product.

Second, that, to be sure, the standard is reasonable, but the resulting provisions would not have any real effect on anybody's operations.

This is a troublesome matter. As one man put it, "There is no point in playing marbles." Some people, however, think it desirable to get a standard established in the hope that it might be tightened up in the future.

Others take the view that it always has been the policy of this industry not to sponsor government regulation of any kind unless there is a demonstrated affirmative need for it. These

people say that no industry should agree to any regulation just for the sake of having regulation.

The practical problem is that raising these questions after a group of canners, technologists, and others have labored long and hard in a standard proceeding is very discouraging to them—and occasionally is not welcome.

Another exceedingly troublesome point is the question of whose judgment should determine the line between standard and substandard. As I have already stated, this is not a technical problem. The technical job is done when the objective method is worked out, and it is known how particular samples will measure according to that method.

But the important job is to decide where on the scale should be the line between standard and substandard. It had always been our view that trade judgment was most important—that a panel of canners or experienced judges could evaluate the samples—and that these evaluations could be averaged and used to fix the line.

In recent hearings, however, we have become tangled up with the problem of PMA grades. The difficulty encountered is twofold. The first is that a PMA grade on a can reflects only one man's judgment about that sample according to certain ideas expressed in words in the U. S. grades—instead of the average subjective evaluations of a panel of trade or consumer judges on that same sample.

The second difficulty is that the PMA grades are not formulated and administered by the Food and Drug Administration but by the Department of Agriculture. In some instances, it seems to be a good inference that the Agriculture employees have supplementary materials besides the grades. The Food and Drug Administration feels, however, that it must respect the confidential materials of the PMA, and does not permit any questions to be asked about these materials or how the PMA grading is done. In other words, one must start in FDA proceedings by accepting the subjective PMA grade by the individual PMA grader and go on from there.

This raises a very difficult problem, and leads to much of what Dr. Cameron has called "lawyering." The whole theory of these hearings is that those who issue regulations must come and testify under oath as to the facts on which they think the regulation is needed and is reasonable.

Open checking of facts is much more important than any questions of court review. Indeed, the whole legal rigmarole is built on this concept—that regulations cannot simply be arbitrarily written, but the facts must be produced and subject to the scrutiny of cross-examination.

If this right of cross-examination is frustrated by the inability to ask about all of the rules and methods which entered into a grade—which is to be used for Food and Drug purposes—the whole hearing loses its purpose and possibly becomes a farce.

I might add that this problem—and the need for getting good objective standards—with the opportunity for searching inquiry into the facts—is well recognized by some of the top officials of the Food and Drug Administration. They are as unhappy about some of these developments as is your Counsel.

I mention this because there sometimes is misunderstanding—there is a laudable desire not to appear to be quarreling with the Food and Drug Administration—particularly on legal technicalities.

But speaking for myself, if these standards which will control every canner in the industry are to be fixed merely on the basis of somebody's opinion—and the opportunity to check his opinion and the basis for it in fact is to be lost—I think that we are losing all of the valuable safeguards in the law which many people worked so hard to secure in 1938.

For it can never be repeated too often that these standards of identity, minimum quality, and fill-of-container have an immediate, important dollar-and-cents effect upon every canner.

Their seriousness and permanence cannot be overemphasized.

I wish there was some way to bring home to every canner what these standards really mean to them. It does no good to say that they become the law of the land—and that failure to comply means seizure or criminal prosecution.

The practical impact—in order to comply—is even more widespread. These regulations control with respect to the standardized fruit or vegetable:

What the canner may pack, in what styles of pack;

How he must label and in turn how many different sets of labels he must have and his distributors must have;

What part of his pack may have to take the crêpe label to disclose quality defects or slack fill;

The kind and degree of sorting and segregation and trimming of raw material;

The speed and manner in which he may have to operate his filling machines;

In short, the costs of important parts of his operations—and the ultimate return he may get from his season's efforts—all of these will be dependent upon what administrative officials finally decide in these proceedings.

For these reasons the Association must continue its comprehensive work. For these same reasons canners must remain continually alert to what is going on. Because of the importance of these regulations, I have taken the liberty of outlining some of these questions of principle and policy which sometimes emerge—and the danger of losing basic direction in a forest of detailed data.

Only by intensive effort do I think the canning industry can meet its obligation and responsibility of working with the Food and Drug Administration to evolve good standards which will protect both the consumer and the industry.

THE WASHINGTON SCENE

By H. Thomas Austern, Association Counsel

The title Secretary Campbell has listed for this report—"The Washington Scene"—is particularly apt. For today, more than ever, few businessmen, and no canners, can afford to take a narrow view of the activities of the Federal government.

What is going on in Washington is a vast, complex scene of multiple and sometimes inconsistent activities. They are all interrelated.

The panoramic and necessarily quick survey which I shall offer probably will not answer any of your questions, but perhaps it can contribute a sense of perspective.

Let us begin with the biggest thing in the picture, which at the moment happens to be international affairs. It is no secret that the biggest question mark in this part of the scene is Russia.

The recent lifting of the Berlin blockade, necessarily coupled with the Atlantic Pact, may mean that danger of the cold war turning into armed conflict has become less imminent—if not remote. Remember, war means comprehensive government controls, aside from its abhorrent toll of life and liberty.

When the meeting of foreign ministers opens in Paris next week, we shall learn more about this prospect. It is also considered likely by most people in Washington that the Atlantic Pact will be ratified probably within a month.

But this will mean no diminution in Marshall Plan activities, and if the current reports on prospective 1949 European harvests are correct, possibly no lessening at all of the ECA appropriation.

But still there is an over-all feeling of comfort that armed conflict is remote. Let's hope this is *true*.

Yet even if the threat of war is removed, few people here believe that American business can wholly forget about international affairs. Many be-

lieve that the next few months will show a widespread devaluation of all foreign currencies—except possibly the Swiss franc—and led off in all likelihood by a devaluation in the pound sterling.

This devaluation—if and when it occurs—will be designed to strengthen the position of these countries vis-à-vis the American dollar. It will be harder to sell our goods abroad. There are also many who believe devaluations will lead to a flood of imports into our domestic economy.

The next question is how strong is that domestic economy? Let's look at it very briefly—not in terms of gossip but some facts.

According to the May report on "Economic Indicators" issued last week by the President's Council of Economic Advisors, the picture is well worth thinking about, particularly by those who sell consumer goods such as foods.

Generally, the predicted improvement in business for April did not materialize. The nation's economic machine did not accelerate to expected levels. Instead, the gradually declining level of business activity continued downward. The trend in small month-to-month changes has been constantly down.

Unemployment did decline, and employment increased in April, but both of these indices were reported below the expected seasonal changes.

Specifically, the facts on production, employment, prices, and purchasing power are worth noting. The Index of Production fell to 179 measured against the 1935-39 average. You will remember that when the Board met last November that production index was over 190.

We have all heard many reports about so-called soft lines. But the statistics reveal that the modest but definite decline in production has not been limited to any particular group. It has affected durable goods, nondurable goods, and mineral industries. Even steel output went down about 4 per cent.

As a commentary on consumer feeling, the value of department store sales declined compared with a year ago—even at lower prices.

As to prices, the recent cuts in automobile prices were more or less the end of the parade which had previously seen price cuts in electrical goods, textiles, metals, building materials, and many other products.

But of more immediate interest to us, food prices which had dropped fairly sharply in the first three months held fairly steady in April both at the wholesale and retail level.

Lastly, for those who may be interested, it is reported that the average of stock market prices likewise held steady in April.

Employment can best be measured against the previous year. Industrial employment for the first time in several years has fallen below 50,000,000. Unemployment in April was slightly over 3,000,000—but 800,000 higher than a year ago.

Perhaps more significant was a reported increase in the length of time for which people remained out of work.

All of these factors add up to the $64 question for you—purchasing power. The Commerce Department estimates that total income has dropped 3 per cent since last December.

Yet individual income is still higher than a year ago—by about 4 per cent—and at lower prices this is a considerable gain in the real purchasing power of the individuals who continue employed.

In other words, although the annual rate of wages and salaries has fallen by about 5½ billions since last fall, many economists say that the decline in prices still permits people to buy as much goods as they did last fall.

There still is vast purchasing power. It is not being evenly applied, and what seems to be in process is a shift away from buying what one wants irrespective of price to an alert interest in shopping for the best values.

This changing economic domestic picture focuses attention on several important areas where it may turn out to be controlling.

The first of these is our agricultural economy, and the pending proposals for a new Federal farm program. These questions wil be discussed by others this afternoon.

Without trespassing on their discussions, I should like to suggest one point which undoubtedly has already occurred to some of you. This is the apparent insistent lack of realism in American politics. We dislike doing things in direct fashion and prefer to do them indirectly and sometimes in a far more costly manner.

Politically, I suppose each of you would agree, we are going to have a continued Federal farm program—which will cost a great deal of money—and which will be designed to support the economic position of the farming population.

You may talk about "parity"—"support standards"—"production payments"—but don't say "subsidy" to anyone.

You will remember that during OPA days nobody wanted to admit that he was being subsidized. I still am not clear who got the wartime subsidy since the grower, the canner, and consuming groups each denied that they did. In the same fashion you will find in current political debate every effort being made to duck candor and logic. When the farm program is discussed today, look for this interesting phenomenom.

But it shows up in most striking fashion when we start discussing Federal fiscal affairs. We do not use the printing presses to print fiat money in the United States. But we have—and we may again in the future—achieve the same result by issuing bonds, selling them to banks, and pumping credit into our economy.

I shall not take your time to discuss the details of our Federal budget. I did so last November. The present expectation is that for the fiscal year beginning next June the Federal government will run into the red something between two and three billions.

What can be done about it? Congress talks a great deal about cutting expenditures. Some of this discussion reminds one of the people talking about famine conditions only after they have finished a full meal.

Congress increased the military appropriations above the Budget. It increased the Treasury and Post Office appropriations. Just the other day it concluded not to cut the Labor Department appropriation 5 per cent. It is expected to increase some other Department budgets.

Thus far there has been much talk—few savings.

I suppose I should report—even inconsistently—that the Senate has recommended $750,000 to control the Oriental fruit fly and that a total of 87½ million dollars has been appropriated for the school lunch program, in which this industry may share.

Basically, however, the amount of money which might be saved by cutting Federal expenses is not promising.

The other side of the coin is the President's continued insistence that taxes be increased about $4,000,000,000. Strangely enough, this is coupled in some quarters with the proposal to cut excise taxes to the extent of about three-quarters of a billion dollars.

If taxes must be increased, the first place Congress will look will be at the corporate tax rate. I wish I could tell you whether this will or will not be increased. I do not know. But I would not be surprised to see the basic rate increased to 42 or 45 percent.

There is also talk about a variation for corporations of the Ruml Plan which put individual taxpayers on a pay-as-you-go basis. Under the present law, corporations can pay their taxes in quarterly instalments—typically March 15, June 15, September 15, and December 15.

It has been proposed to change the law to require corporations next year to pay half of these taxes on March 15 and the other half on June 15.

The object of this fiscal gimmick is to accelerate the amount of money received before the June 30th end of the next fiscal year—get all corporate taxes in by June 30, 1950—and

in this fashion keep the deficit down on the next fiscal year.

You can make your own comment on this proposal—to stay solvent by getting advance salary for 6 months.

Of course, a $3,000,000,000 deficit is not the end of the fiscal problem if all of the proposals to achieve what is called the "Welfare State" should be enacted. I have seen one estimate, which I would certainly respect, that if all of these proposals were enacted, by 1955 the bill for them alone would be $30,000,000,000 a year—without arms, farms, or alarms.

You can definitely expect that the old age insurance rates will increase to 1½ percent for the last six months of this year and go to 2 percent next January, both for the employee and the employer.

Needless to say, the present budget is predicated on a sustained high level of national income. But if there should be a real recession, few men would be wrong in thinking that the Federal government would hesitate—or that any Congress would be reluctant—to incur a very substantial Federal deficit to maintain employment through public works or in any other way.

Political realism might lead you to grant that this will happen. If it does, the ultimate effect will be inflationary.

If there is a real depression, you can bet your bottom dollar that every other dollar will eventually be worth less than today.

Lest I leave too gloomy a picture, I should report to you that many have considerable optimism about the food industry. There seems to be universal acceptance of the notion that since the government will never again let anyone starve, the food industry is depression-proof.

If the repetition of this idea by government economists makes some of you feel any better, you are certainly entitled to do so.

Shifting our viewing glass to another part of the scene, I should like to refer briefly to the "crystal clear confusion" on how a man may lawfully price his goods or meet competition.

Despite the fact that the canning industry, along with most of American business, urged its passage, the Johnson bill has been shelved.

Everybody paid lip service to the principle that an individual businessman should be permitted to price his goods in any way he pleased, so long as he did not conspire, and to meet competition in good faith wherever he found it.

But the bill was opposed by many labor interests, by the Department of Justice, the Federal Trade Commission, and the President's economic advisors. Most Congressmen concluded that it was a fairly hot political potato which should be permitted to cool before being handled.

Accordingly, the Administration offered a proposal which has come to be called moratorium legislation. This provides that for the next 18 months no individual businessman should be prosecuted for reducing his prices to meet competition, or for selling his goods on a delivered basis. In short, to let you go without fear for a little more than a year.

The idea behind this proposal in the House was that the Supreme Court in the *Rigid Conduit* case then pending would clear up the confusion it had created in the *Cement* case. But the Supreme Court found itself stymied. Mr. Justice Jackson discovered that he was disqualified. Four of the other Justices thought the Commission could prohibit an individual manufacturer from matching the prices of a competitor even without conspiracy. Four of the other Justices thought the Commission was wrong.

The result was a 4-to-4 tie—no decision—no clarification—no further hits, runs or errors for the Supreme Court for the time being.

Meanwhile, another Federal court has said that meeting competition in good faith was not a good defense to price discrimination and this case is now going to the Supreme Court. In the meantime, Congress may or may not pass the moratorium legislation.

In short, what I called "crystal clear confusion" remains clear in the sense that the confusion is worse confounded.

I know you will forgive me if I say that this is a very foreboding sign for the country.

Congress has also resumed interest in the Kefauver bill which would prohibit one company from buying the assets of a competing company where competition will be substantially lessened. There is still a fair chance that this law may be enacted this session.

On the administrative scene, there has been much excitement about the various reports of the Hoover Commission to reorganize government and improve it and save money. This is too full a subject to deal with in detail, but two of these reports warrant the interest of the canning industry.

The Hoover group dealt very harshly with the Federal Trade Commission. It suggested that the Commission was inefficient, that its procedure was cumbersome, and that its personnel could be improved—particularly in the selection of Commissioners—three or four of whom are soon up for appointment.

Among other things, the Hoover report suggested the appointment of an economist as a Federal Trade Commissioner who might be knowledgeable as to the complexities, and perhaps understand the problems, of American business. The President responded by nominating to the Commission a gentleman almost entirely identified with the consumer cooperative movement. At the present time a considerable controversy is reported to be raging on his confirmation.

Ordinarily, I do not deal with anyone's qualifications for office, but some of you have specifically asked whether this candidate had ever said anything about the food industry. He has. In discussing the advantages of consumer cooperatives—which should be distinguished from farm cooperatives or cooperative canning companies—he stated in March, 1946, that the consumer cooperative organizations were splendid yardsticks for American businessmen. Specifically, he said:

"In many places we have become a yardstick in the grocery business, and our last fight to establish a system of honest grade labeling is going to prevail."

Another recommendation of the Hoover Commission is to split the Food and Drug Administration down the middle, and to transfer all regulation of food products to the Department of Agriculture and all regulation of drugs to the Public Health Service. I am not clear what is supposed to be done with cosmetics. They may go the Women's Bureau.

This proposal to send all control of the labeling and adulteration of food products to the Department of Agriculture has also excited great interest—particularly since whether a product is a food or a drug often depends on what its labeling says.

The arguments urged in favor of this proposal are that the Department of Agriculture now deals with food grading, such as PMA grades, and that it is a duplication to have another agency dealing with grades, even though they are different grades for different purposes. One regional canning association has endorsed the proposed split.

There are, however, many in the food industry who are opposed to this recommended change. They urge that the interest of the Agriculture Department is in the marketing of maximum quantities of farm products, and that this may lead to a lessened emphasis upon measures designed to protect the consumers. They urge further that splitting up a functioning agency will mean a loss in efficiency, and that there will be all kinds of conflicts of jurisdiction.

The canning industry may soon be called upon to take a position on this Hoover Commission proposal on the Food and Drug Administration.

Although there are many more exciting activities in the Washington scene, I doubt whether I can deal with all of them. The picture is dynamic—not static—it is a moving picture in every sense? Basically, where is it going?

You will recall that when the Republicans took over in the 80th Congress, the point was made to this Board that it must always be remembered that we have a three-part Government—the Executive, or what is commonly called the Administration; the legislative or Congress; and the Federal Courts.

It seems fair to say that our Executive branch still seeks to reflect the views of the two elements in our population who it believes contributed most to last November's result—the farmers; and the labor groups. Moreover, whatever else you may hear, it might be a mistake to underrate the vigor and determination of President Truman.

As to Congress, it is difficult to make any real evaluations. It certainly is not in the same place as the President. Just where it is, I think we will be able to tell when all of the chips are down, and the various bills are passed in the next few months.

But do not forget that a very important part of our governmental system is the judiciary, and the host of quasi-judicial, administrative regulatory agencies whose incumbents are usually appointed for from five to seven years. It is fair to say that both the 80th and 81st Congresses had little effect on judicial appointments.

As far as I know, only two administrative appointments which the President insisted upon have been blocked in the Senate—Mr. Pauley and Governor Wallgren.

In short, the character of the third arm of the government—the Judiciary and the administrative agencies—inevitably comes to reflect more and more the views of the Executive.

I am reminded of what Judge Covington told this industry in the late '30's: He said that the economic and political pendulum may swing back and forth, but it never returns in one direction as far as it has swung in another.

Accordingly, whatever else may happen in the years to come in the new building whose start you commemorated yesterday—and anticipating great scientific contributions—it seems fair to say that there will be plenty to do to keep track for the canning industry of what is happening in Washington to affect it and the rest of the country.

REPORT OF THE SCIENTIFIC RESEARCH COMMITTEE

By R. E. Sanborn,
Chairman, Scientific
Research Committee

The Research Committee met all day Tuesday and Wednesday afternoon. The first important concern of the Committee was an examination of the four-month achievements in recognition of the drastically reduced budget set up in January. As a result of the January action, the Committee reviewed the work projected for 1949 and the nature and extent of the 1949 work was agreed upon at that time. After the examination of the budget and the reports on the projects received last Tuesday, being the results of four months of operation, the Research Committee agreed that the program set up in January had been faithfully carried out and that the reductions in personnel already accomplished and further contemplated were adequate to accomplish budget recommendations and at the same time not so drastic as to very seriously interfere with the service work of the laboratories.

The Committee heard a proposal from Mr. Austern, our legal counsel, concerning fill of container standards and has endorsed it. This proposal specifically is to provide for examination of a number of samples and the averaging of results instead of the present application of the standards to each individual container.

We discussed in general the problem of insecticides, and the residue thereof in canned foods. Dr. Mahoney was requested to enter into this discussion. The consensus was that the recent announcement by Dr. Dunbar, Commissioner of the Food and Drug Administration, has gone very far to clarify this entire matter, and that it appears now to be rapidly progressing to a satisfactory conclusion. The Committee decided that it should be the duty of the Laboratory staffs to examine into the authenticity of future pronouncements on this matter and to suitably advise the industry concerning such pronouncements.

The Committee received a report from the Western Laboratory on the status of the N.C.A.-financed project for studies in cannery lighting together with a proposal from Stanford University for the extension of this study to commodities not yet considered. The Committee decided that a report on general lighting conditions in canneries and on specific studies of certain commodities now completed should be published and supplied to the members of the N.C.A.; and that consideration of further specific studies should await the receipt and examination of this proposed immediate report. In three years of this activity $12,000 has been appropriated. With the completion, publication and distribution of the proposed report slightly less than $10,000 will have been expended.

The Committee considered a recommendation for the constitution of industry committees on formulation of standards under the Food and Drug Act. It was the consensus that it is desirable to provide for more extensive and more formal collaboration of industry in the preparation of factual testimony and the determination: first, of the factors that affect the identity and quality of a canned product, and second, the levels at which standards of quality should be set. The Committee has recommended that a small subcommittee be appointed to elaborate on this recommendation in more specific detail, in consultation with the directors of the laboratories and its legal counsel. Considerable discussion ensued on the proper and desirable role of the laboratory staffs and of legal counsel in the preparation of standards material. This work, under the procedure followed up to this time, where practically the entire burden was placed on the laboratory staffs and legal counsel, is expensive and time-consuming and at the same time vitally necessary. The Committee feels that by proper organization of collaboration with the section of the industry involved in each individual commodity, a great deal of this burden and expense can, and properly should be, assumed by the industry members concerned with the commodity.

The Committee considers it proper to call the attention of the Board to the general laboratory situation. Last January in consideration of a reduced budget the decision was made to reduce laboratory personnel and to greatly curtail salary changes that might properly otherwise have been considered. The staff today is operating with the minimum personnel consistent with a somewhat curtailed activity and this personnel is below or about the minimum salary level necessary to meet the competitive demand for these scientists.

The laboratories consume approximately one-third of the N.C.A. budget. The service to members is an important part of the public relations activity of the Association. Many members of the Association measure its value to a large extent in terms of the personal contact they have and the individual service rendered by the laboratories. In our opinion the scientific service directly and indirectly rendered to members is one of the most important functions of the Association. We feel that we have gone to the limit of curtailment of activities and curtailment of personnel that is consistent with the proper performance of this function, and that the present situation leaves practically no funds for emergency situations that might arise nor for the expansion of the laboratory activities in the fields that are otherwise highly desirable. This matter is recommended at this time for the very serious consideration of the Board and for such action as may be deemed appropriate at the time of the January meeting.

A NATIONAL PROGRAM FOR AGRICULTURE

**By Hassil E. Schenck,
American Farm Bureau Federation,
And Indiana Farm Bureau, Inc.**

In the main, the farm program for the future, so far as the American Farm Bureau Federation is concerned, shall be the 1948 Long Range Farm Program, with only such modifications as further study, experience and changed conditions will mandate. This means flexible supports based upon relationship between supply and demand and ranging from 72 percent to 90 percent of parity. Supports are not thought of as a farm program, but a stop-loss feature of a much broader program.

Involved in this broader program are:

Monetary and fiscal policies
Federal debt management
Commodity Credit Corporation
Farm Credit policies
Marketing agreements
Reciprocal Trade Agreements
International Commodity Agreements
Agricultural cooperatives
Rural electrification
Crop insurance
Soil Conservation
Agricultural Extension
Distribution
Transportation
Nutrition
Research
1. Production
2. Marketing
3. Utilization

Full Employment

It is the specific purpose of this broad field of topics to give the American farmer an average of parity in the market place, with as little drain as possible on the Federal Treasury and to steer as clear from regimentation as humanly possible.

Of recent days, there is a lot of talk about the Brannan proposal. This proposal would pay the farmers a price based upon the prevailing price for the first 10 of the last 12 years, modified by the relationship between agricultural prices and industrial prices as of the most recent year. This would guarantee the farmers the highest level on record. It would also guarantee to the consumers a low price for food commodities with the taxpayer making up the difference.

Estimates for One Commodity

Our statisticians took one important farm commodity, (milk) and figured what it would cost the taxpayer to carry out the Brannan proposal on that commodity alone. The result was a cost to the taxpayers of $2,480,000,000 in one year's time. If it would cost that much for dairy products alone, what would it cost for all commodities produced by the American

HASSIL E. SCHENCK

farmer? It is easy to conceive of an eight to ten billion dollar annual cost if the Brannan proposal should become law. This is rather startling when we realize that the highest prewar Federal tax load was only five and one-half billion dollars.

Another thing which makes the Brannan proposal grossly unfair in the long run is that while it gives the authority for the payment of these enormous amounts of money to the Congress, it leaves to the Congress the option of making the appropriation. If and when the going gets tough and the Federal government is going in the red at the best, there is no question but what Congress, seeking ways to balance the budget, would refuse to make the appropriation for the carrying out of the proposal.

Tax Figures

You might be interested in knowing that the present fiscal year, starting last July 1, and which will end next June 30, already shows a deficit of between eight and nine hundred million dollars and in all likelihood will show a deficit of $1,200,000,000 by June 30. Please keep these figures in mind and check with the actual results when the reports of the present fiscal year come out some time in July.

Another point to remember is that the taxpayer has to make up the difference, and the taxpayer is the people, and they not only have to pay the cost through increased Federal income taxes if the program is to be made to work, but will have to pay all administrative costs, which would run into the millions every year. Also, they would have to pay interest on an increased Federal debt.

Still another point to remember is that guarantees are made within certain limits of production. Two farmers may have the same acreage; the poor farmer having a low production per acre would get the full benefit; the efficient farmer having a high production per acre would be deprived of certain of the benefits. In other words it would penalize efficiency and premiumize inefficiency.

Also important to remember is that in order to avoid bankrupting the Federal Treasury, it would mean submitting to a regimentation the like of which the farmers have never dreamed.

Mutual Assistance

As representatives of the great canning industry of America, I want you to know that our farmers recognize the important place you play in our economy. I come from a state that ranks second in the nation in the production of tomatoes for canning purposes. As producers of canning crops we not only need you, but we must have you. Furthermore, as canners you must as positively have us. Our job should be mutual. We have no absolute right to dictate to you the price we shall receive. You, just as definitely, have no right to dictate the price you shall pay. Nobody knows better than the farmer himself what it costs to produce. Nobody knows better than the canner himself what it costs to operate. The matter of contracting should be one of bargaining as between growers and processors.

No successful business in America can continue to be successful without at least three definite departments of action: Procurement, production and marketing. I am sure, you as canners, have your procurement division, your production or manufacturing division and your marketing division and you make substantial expenditures in all three. The farmer, likewise, if he is to be successful, must have these three divisions. He must have some voice in the price and the quality of the things he buys in his operations. He must, of course, have heavy investments and know and prosecute the operations of successful production and he must also invest in machinery which he shall control and operate for the purpose of turning the fruits of his labors into cash.

Again, I must repeat, we have a mutual job to do. The farmers should not run the canners' business; the canners should not run the farmers' business, but we should mutually work toward the over-all interests of not only the farmers and the canners, but to give to the consuming public a quality merchandise at a figure commensurate with cost and with the consumers' ability to pay.

REPORT OF AGRICULTURAL POLICY COMMITTEE

By R. H. Winters, Chairman

The Agricultural Policy Committee, as you gentlemen know, was reconstituted by the Board of Directors last January to act in an advisory capacity to the Legislative and Raw Products Committees, and it will report to the Board from time to time. This present report is in the nature of a progress report, to inform the Board that the Committee met on May 17 with the following members present: Messrs. Beckman, Dunlap, Haxton, Ketzler, Scott, Smith, Snider, Wadsworth and Summers. Mr. Graefe, Chairman of the Legislative Committee, and Mr. King, Chairman of the Raw Products Committee, ex-officio members of the Agricultural Policy Committee, also met with us, as did Mr. Austern and Mr. Castle of Counsel's office, and Dr. Mahoney, Director of the Raw Products Bureau.

During this time the Committee gave careful consideration to present and proposed legislation affecting Agriculture, with special attention, of course, to the impact of such legislation on the canning industry. Committee members had received, prior to the meeting, the text of the Aiken law and a copy of the statement made by Secretary Brannan of the Department of Agriculture before Congress in which he outlined the objectives of the Administration's program for Agriculture. However, at the time the Committee met there was available only a newspaper version of a bill to incorporate these proposals and until the printed text is available to this Committee, a careful study cannot be made.

Agriculture, being the foundation of the canning industry, its welfare and that of ours are inseparable. This Committee shall continue to be particularly alert to this concept and shall attempt to keep the views of this industry's membership in sharp focus on all points that will contribute to a strong and stabilized agriculture.

It is obvious, of course, that it was not possible during the few days' meetings of our Committee to cover fully all of the questions or implications which any of the agricultural proposals or bills may contain. The Committee wishes to report, however, that the particular effect any bill will have on the procurement of crops for canning will be carefully studied by this Committee.

Ways in which canner-grower relations may be improved were discussed, and it is expected that some suggestions may be made later to the Raw Products Committee for implementation of a broader program in this important segment of the canner's public relations.

There was a great deal of unanimity of opinion throughout the discussions. Mr. Walter Graefe, Chairman of the Legislative Committee, and Mr. J. P. King, Chairman of the Raw Products Committee, were present throughout the discussion, and at its conclusion expressed themselves well satisfied as to the position their Committees would be able to take to implement the general aims and conclusions as related to basic or fundamental principals that evolve in planning a general policy.

The Committee's recommendations resulting from its study will be of a guiding nature and will be implemented through the actions of the Raw Products Committee and the Legislative Committee.

In conclusion, the Committee suggests that it might be desirable that at some future date this whole subject be reviewed with the membership.

REPORT OF N.C.A. CONVENTION COMMITTEE

By Robert A. Friend, Chairman

The principal objective of the Annual Convention is to bring together at one central point the various groups interested in discussing their business relationships with canners. A secondary objective is to hold meetings at which qualified speakers can discuss timely problems of the industry. The Convention also affords an opportune time and occasion at which to hold the annual meeting of the National Canners Association required by the By-Laws, and some, but not all, of the other associations of the trade utilize this opportunity to hold their annual meetings also.

The factors essential to operating a successful Convention and which must be taken into account in Convention planning are:

(1) A sufficient number of hotel rooms to house all of those who desire to attend;

(2) Adequate hotel facilities, including parlors and public rooms, to enable those in attendance to schedule and hold conferences with ease, convenience, and the most efficient use of personnel;

(3) An exhibit hall that will adequately house an exhibit of canning machinery and supplies;

(4) The time required to get to and from the Convention city, and this involves both distance to be traveled and transportation facilities available;

(5) The quality and size of rooms available and the relationship of the number of parlors to sleeping rooms and their respective locations;

(6) The number of hotels involved (the most desirable is a large number of rooms in a few hotels);

(7) Room and meal rates;

(8) Cooperation of hotel management and Convention Bureaus.

This list of items to be considered could be extended three- or fourfold, but this quick sample is given so as to afford some idea of the many ramifications and considerations your Committee, your officers, and the staff have been dealing with in their constant work on this problem since the last meeting of the Board.

Your Committee is happy to report that despite this complicated set of controlling details to be surmounted and satisfied, it has been able to carry out the two principal directives laid down by the Board:

First, in accordance with the Board resolutions of last January and November, that the Convention bring together again at the same time and place all the sales and supply factors, including brokers, buyers, and manufacturers of canning machinery and supplies, involved in making a successful Convention, your Committee reports that Convention plans have been worked out by your officers, staff and Committee members, providing in both 1950 and 1951 for separate but consecutive periods of Sales Conferences and Production Planning at each Convention. The Sales Conference period in each case is to be sponsored jointly by the National Food Brokers Association and the National Canners Association; the Production period by the Canning Machinery Supplies Association and the National Canners Association.

Secondly, carrying out another Board resolution of last January that the President and the Secretary decide on Convention times and places at least two years in advance, the Committee announces that the 1950 Convention is scheduled for Atlantic City during the period January 22 to January 31 and the 1951 Convention in Chicago during the period February 12 to 24.

As we reported to you in the INFORMATION LETTER of April 2, the plans provide for housing of representatives of all categories of the trade and a workable schedule to enable canners, brokers, supplymen and buyers to make contact and conduct their business, as well as their individual association programs. These proposals were considered at several joint meetings of the Executive and Advisory Committees of N.F.B.A., the N.C.A. Convention Committee, the Executive Board of the C.M. & S.A. along with officers and appropriate staff members from each body. Resolutions and other official actions by all parties have been passed approving this pattern of attendance, sponsorship and meeting schedules.

The plans agreed upon by the sponsoring associations for the 1950 Convention are as follows:

Members of N.F.B.A. will arrive on Sunday, January 22. Brokers' noncanner principals and canners' sales forces arrive Tuesday morning, January 24. Canners who wish to attend both the Sales Conference and Production Conference will arrive at such time during the Sales Conference period as will enable them to complete their conferences with brokers by Friday night, January 27. Sales conferences between brokers and their principals will be concentrated during the period January 24 to 27, inclusive.

Buyers will be housed in the quota of hotels assigned to N.C.A. It is expected that about half of them will arrive Tuesday, January 24, with the remainder arriving the following day for conferences with canners and brokers during the period of the Sales Conference.

Canners who are primarily interested in the Machinery Exhibit and the Production Conference will arrive Saturday, January 28, and stay through Tuesday, January 31. The Canning Machinery and Supplies Exhibit will start Saturday, January 28, and continue through Tuesday, January 31. The full quota of rooms will be available for C.M. & S.A. members Saturday morning, January 28. Since, however, it is recognized that some hotel facilities will be needed during the period of setting up the show, the N.C.A. will provide C.M. & S.A. sufficient rooms during the Sales Conference to house the work crews that are so engaged.

Distributors who are members of the National-American Wholesale Grocers Association and other distributor groups will be housed in the N.C.A. quota of hotels during the Sales Conference. At the end of the Sales Conference Friday, January 27, all distributors except N.A.W.G.A. members will check out, leaving space for N.A.W.G.A. to bring in on Saturday, January 28, other suppliers they wish to house for their convention. In other words, beginning Saturday, January 28, certain hotel space out of the N.C.A. quota will be turned over to N.A.W.G.A. for their official meeting.

Accommodations also are available to groups of commodity processors other than canners who want to attend the Convention.

In accordance with this over-all Convention plan, the business meetings of the N.C.A. are tentatively scheduled as follows:

Committee meetings, Wednesday morning, January 25.

Administrative Council, Wednesday afternoon, January 25.

Board of Directors, Thursday, January 26, with the opening general session Friday, January 27. It is proposed that at this meeting merchandising and sales problems be featured and speakers of national reputation in these fields be selected. Friday, January 27, being the last day of the Sales Conference, it is hoped, that by featuring merchandising and sales, brokers and others will attend this session.

Laboratory and Raw Products technical conferences could be held Friday afternoon, January 27, and all day Saturday, January 28, with the closing general session of N.C.A. Sunday afternoon, January 29, at which time new officers will be installed.

If the Convention Committee may have a vote of approval by the Board of this outline of Convention arrangements for 1950 in Atlantic City and its sanction of a similar pattern of separate Sales and Production Periods for Chicago in 1951, it will consider its labors well rewarded and will be enabled now to turn its attention to consideration, with the officers and staff, of the selection of representative speakers and program details and design for the official N.C.A. agenda at Atlantic City.

REPORT ON NEW YORK CITY GROSS RECEIPTS TAX

By Howard P. Castle,
Association Counsel's Office

Around the first of the year many canners selling to New York City buyers were notified by their New York City brokers that the City authorities were asking brokers for the names of their principals for purposes of enforcing the New York City Gross Receipts Tax against these principals. The New York City Gross Receipts Tax Act, which is a local city law passed under a state enabling Act, provides for a tax of one-fifth of 1 percent on gross receipts of sales made to New York City buyers for the privilege of doing business in New York City or making sales to persons within the City. The tax is one-fifth of 1 percent "upon all receipts received in and/or allocable to the city." This law has been in effect since 1939 in substantially the same form. The law first provided for a tax of one-twentieth of 1 percent on gross receipts, was later increased to one-tenth of 1 percent, and on July 1, 1948, was increased to one-fifth of 1 percent. Persons who have less than $10,000 gross receipts from sales to New York City buyers are not covered by the tax.

Sellers who are located within the City or within the State of New York are required to pay a tax on the full amount of gross receipts from sales to New York City buyers. In the case of out-of-state sellers, however, a special allocation formula is applied. The regulations issued under the Act provide that in such cases the gross receipts taxable shall not exceed a maximum of 66 percent of the gross receipts and shall not be less than a minimum of 33 percent of the gross receipts. In most cases, out-of-state canners who sell to New York City buyers are taxable only upon 33 percent of their gross receipts since this allocation formula as applied to them gives a result of less than the minimum of 33 percent. Thus, canners in this situation are required to pay a tax of one-fifth of 1 percent on 33 percent of their gross receipts from sales to New York City buyers. In other words, an out-of-state seller selling to New York City buyers with gross receipts from these sales of $100,000 a year would ordinarily be required to pay a tax of $66 a year at the present rates.

The crucial question in the application of this tax is the definition of doing business in New York City. Under the local statute, the New York City Comptroller is given the authority to adopt regulations to carry out the Act. Under this authority the Comptroller has in his regulations defined what constitutes doing business in the City for the purposes of the tax. The Comptroller's regulations provide that foreign corporations or non-residents are doing business within the City if they maintain an office or place of business from which they sell or deliver personal property, solicit or procure sales for the delivery of property to persons within the City, perform contracts, etc. The regulations also provide that foreign corporations or non-residents shall be considered to be doing business within the City if they regularly maintain a stock of goods within the City either at a public warehouse within the City or at a private storage place from which deliveries are made. The regulations further provide that out-of-City business houses which do not maintain offices within the City but make sales to persons within the City through a manufacturer's sales representative, an independent sales agency, a resident salesman or in any other manner are subject to the tax. The regulations specifically cover the case of independent brokers by providing:

"It is of no consequence that the representative may act on behalf of other vendors as well, or that the technical relationship may be that of independent contractor rather than that of employee."

It is clear that under these regulations any canner who sells to New York City buyers and maintains an office, warehouse or stock of goods within the City or sells to buyers through independent brokers or his own salesmen is subject to the tax.

Following President McGovern's dedicatory remarks at the cornerstone-capsule laying, Secretary Carlos Campbell (left) sealed the capsule. After it had been lowered into the ground and covered with concrete, President John F. McGovern (right) smoothed over the concrete with a special silver-plated trowel. The capsule contains documents attesting to the scientific and business soundness of the canning industry and records of the occasion.

Because of the many inquiries from canners with respect to this tax, the staff of the Association and Association Counsel conferred with the National Food Brokers Association, and a meeting with representatives of the N.F.B.A. and the New York City brokers was arranged in Washington on February 25. At this meeting it was suggested that the New York City brokers should attempt to obtain an amendment to the Comptroller's regulations to delete the provision that sellers operating in New York City only through independent brokers are covered by the tax. Various arguments were discussed, and N.C.A. Counsel and N.F.B.A. Counsel supplied the New York City brokers with background information and suggested arguments.

The New York City brokers have been conferring with various New York City officials in an attempt to obtain an amendment to the regulations exempting sales of processed foods made through independent brokers. Although results so far have been rather discouraging, continuing efforts are being made to obtain this amendment. Many canners are awaiting the outcome of these negotiations before filing any tax returns in order to determine whether or not their operations will be subject to the tax. Those who do so apparently are willing to run the risk of the penalties of 5 percent of the modest amount of the tax and 1 percent of the tax per month thereafter.

Meeting of State Secretaries

(Concluded from page 195)

Committee on Commissioning an Artist—W. H. Sherman, Association of New York State Canners, Inc., chairman; Calvin L. Skinner, Tri-States; A. F. Dreyer, Indiana; and C. C. Rathbun, Florida.

At their meeting the state and regional secretaries also discussed wage and hour legislation, the New York City Gross Receipts Tax, the use of insecticides, scheduling of cannery fieldmen's schools, group accident and unemployment insurance, and arrangements for their next meeting.

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